

DDC to Establish Mediterranean Distribution Platform

To expedite the delivery of supplies to Warfighters stationed outside of the continental U.S., the Defense Distribution Center (DDC) has established a Forward Stocking Initiative that identifies locations to set up distribution centers closer to those customers. "DDC has been working with our customers to find solutions to their readiness needs, and the Forward Stocking Initiative not only increases their readiness capabilities by reducing customer wait time, but it also saves taxpayer's dollars," said DDC Commander BG Kathleen M. Gainey, USA.

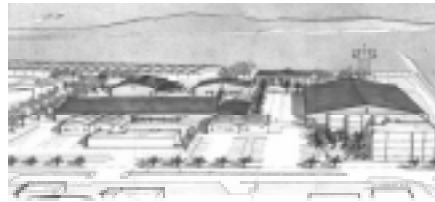
"Forward Stocking Initiatives not only increases readiness capabilities by reducing customer wait time, but it also saves taxpayer's dollars," BG Kathleen Gainey, USA, Commander, DDC

BG Gainey and DLA Director VADM Keith W. Lippert, SC, USN, recognized a need for increased distribution support for the U.S. military forces stationed in the area of the Mediterranean Sea, so on April 1, 2004, DDC will stand up the 23rd distribution center, Defense Distribution Depot Sigonella, Italy (DDSI). "Our depot in Sigonella will be the platform for distribution in the Mediterranean, fulfilling a critical customer need," said Tony DeVito, DDC's Supply Management Division Chief, Logistics Operations.

DDC will position nearly 9,000 different highly demanded DLA items on the shelves at DDSI in an effort to reduce customer wait time (CWT). "It's like the difference between walking into a convenience store and getting what you need right away compared to ordering an item from a catalogue and waiting for it to arrive," described Marv Salsman, DDC's Supply Systems Specialist and project leader for the Sigonella forward site. With less time spent waiting for supplies, DDC's customers, the Warfighters, are able to respond more quickly when needed. "We hope to see about a 50% decrease in CWT which is similar to what we have experienced at other forward sites," said Salsman.

DDSI will be DDC's fourth forward

site, joining Defense Distribution Depot Europe (DDDE) in Gomersheim, Germany;



Defense Distribution Depot Yokosuka, Japan (DDYJ); and Defense Distribution Depot Pearl Harbor, Hawaii (DDPH). By placing highly demanded items at these locations, DDC has not only cut CWT in half, but has also decreased transportation costs by more than 60 percent.

"Instead of using expensive premium transportation methods, we are able to use surface transportation (land or sea) to significantly reduce cost," explained Salsman. DDSI will utilize commercial small package carriers to transport items and Salsman said he expects that most will be on-island deliveries. The estimated total cost savings from DDSI are expected to exceed \$14 million during Fiscal Year (FY) 2004.

DDSI will occupy warehouses on Naval Air Station (NAS) Sigonella located on an Italian air force base on the island of Sicily in the Mediterranean Sea, just off the Italian mainland. The U.S. Navy has been a tenant on the base since 1959. "DDSI was the ideal location to establish this new forward site because it already had a warehouse facility with loading docks and a transportation network in place that was serving the facility," said Salsman.

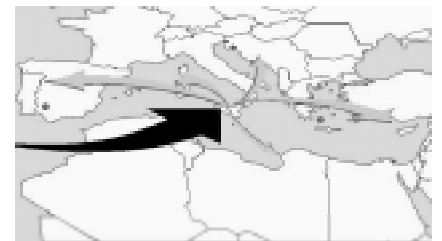
DDSI will be a permanent installation commanded by CDR John Camuso, SC, USN, with Denise Cordeiro, formerly the Deputy Commander of DDPH (Defense Depot Pearl Harbor, Hawaii), as the new Deputy Commander at DDSI. They will oversee a workforce comprised of U.S. military and civilian personnel as well as local Italian citizens who are currently working on the installation in the Navy's supply center.

The Navy will relinquish most of its distribution buildings on the NAS Sigonella installation to DLA, but the

Navy Aviation Support division that maintains Navy airplanes flying through the area will stay in place and will be DDSI's biggest customer. Of the 9,000 lines of DLA items that will be stocked at DDSI, most will be repair parts and other items that are frequently requested by customers in the area including the Navy airplane maintenance mission on base as well as ships from the Navy Fleet and the U.S. Marines stationed in the Mediterranean.

To establish DDSI, DDC's transformation team has been working closely with the Navy. "CAPT Arcement (NAS Sigonella Supply Officer) and everyone at NAS Sigonella have helped to make the transition as smooth as possible by helping us overcome any challenges that arise," said Salsman. The most challenging factor facing the transition team has been interfacing the Navy's current supply systems software with the Distribution Standard System (DSS), DDC's primary warehousing and transportation system. "With the help of the Navy, we should have DSS up and operational by the first of July at the latest," said Salsman.

Setting up DSS will not be a problem in DDC's next forward site because the system is already in place. DDC plans to



have Defense Distribution Depot Guam Marianas (DDGM) operational in October 2004 as a contract operation. DDGM will be the second of what is expected to be four new forward stocking sites that will open in FY04. The Camp Carroll site in Korea is being finalized, and Camp Arifjan is the frontrunner for the location of the new depot in Kuwait. "These sites have been selected in order to support customers in the theaters where the distribution centers will have the greatest impact, and we expect to establish additional forward sites in the near future," said Salsman.